

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Jefferson	County Cass
Fiscal Year End 6/30/06	Opinion Date 9/13/2006	Date Audit Report Submitted to State 12/18/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

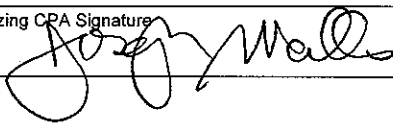
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	Nothing to report	
Other (Describe)	<input type="checkbox"/>	No other documents required	
Certified Public Accountant (Firm Name) Siegfried Crandall P.C.		Telephone Number (269) 381-4970	
Street Address 246 East Kilgore Road		City Kalamazoo	State MI
Zip 49002			
Authorizing CPA Signature 		Printed Name Joseph M. Walls	License Number 1101013696

Township of Jefferson
Cass County, Michigan
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
Year ended June 30, 2006

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements:	
Statement of net assets	4
Statement of activities	5
Fund financial statements:	
Balance sheet - governmental funds	6
Statement of revenues, expenditures, and changes in fund balances - governmental funds	7 - 8
Notes to financial statements	9 - 15
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule - General Fund	16 - 17

INDEPENDENT AUDITORS' REPORT

**Board of Trustees
Township of Jefferson, Michigan**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Township of Jefferson, Michigan, as of June 30, 2006, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of Township of Jefferson, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Township of Jefferson, Michigan, as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The budgetary comparison information, on pages 16 - 17, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Township of Jefferson, Michigan, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Siegfried Crandall P.C.

September 13, 2006

BASIC FINANCIAL STATEMENTS

Township of Jefferson
STATEMENT OF NET ASSETS
June 30, 2006

	<u>Governmental activities</u>
ASSETS	
Current assets:	
Cash	\$ 299,604
Receivables (net)	54,426
Prepaid expenses	<u>8,311</u>
Total current assets	<u>362,341</u>
Noncurrent assets:	
Receivables (net)	75,450
Capital assets (net of accumulated depreciation)	<u>173,735</u>
Total non-current assets	<u>249,185</u>
Total assets	<u>611,526</u>
LIABILITIES	
Current liabilities:	
Accounts payable	13,293
Current maturities of long-term debt	<u>27,252</u>
Total current liabilities	40,545
Noncurrent liabilities - long-term debt	<u>109,010</u>
Total liabilities	<u>149,555</u>
NET ASSETS	
Invested in capital assets	173,735
Unrestricted	<u>288,236</u>
Total net assets	<u>\$ 461,971</u>

See notes to financial statements

Township of Jefferson
STATEMENT OF ACTIVITIES
Year ended June 30, 2006

	<u>Program Revenues</u>			<u>Net (expenses) revenues and changes in net assets</u>
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Governmental activities</u>
Functions/Programs				
Governmental activities:				
Legislative	\$ 11,298	\$ -	\$ -	\$ (11,298)
General government	137,127	26,418	-	(110,709)
Public safety	98,767	42,131	-	(56,636)
Public works	85,799	2,835	4,052	(78,912)
Health and welfare	20,648	-	-	(20,648)
Community and economic development	23,643	4,592	-	(19,051)
Interest on long-term debt	<u>2,993</u>	<u>4,276</u>	<u>-</u>	<u>1,283</u>
Total governmental activities	<u>\$ 380,275</u>	<u>\$ 80,252</u>	<u>\$ 4,052</u>	<u>(295,971)</u>
General revenues:				
Taxes				60,425
Franchise fees				723
State grants				164,796
Investment income				11,766
Other				<u>4,771</u>
Total general revenues				<u>242,481</u>
Change in net assets				(53,490)
Net assets - beginning				<u>515,461</u>
Net assets - ending				<u>\$ 461,971</u>

See notes to financial statements

Township of Jefferson
BALANCE SHEET - governmental funds

June 30, 2006

	<u>General</u>	<u>Diamond Lake Sewer</u>	<u>Totals</u>
ASSETS			
Cash	\$ 268,273	\$ 31,331	\$ 299,604
Receivables	29,275	100,601	129,876
Prepaid expenses	8,311	-	8,311
Total assets	<u>\$ 305,859</u>	<u>\$ 131,932</u>	<u>\$ 437,791</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 13,293	\$ -	\$ 13,293
Deferred revenue	-	100,601	100,601
Total liabilities	<u>13,293</u>	<u>100,601</u>	<u>113,894</u>
Fund balances:			
Unreserved, undesignated	292,089	31,331	323,420
Reserved for building inspections	477	-	477
Total fund balances	<u>292,566</u>	<u>31,331</u>	<u>323,897</u>
Total liabilities and fund balances	<u>\$ 305,859</u>	<u>\$ 131,932</u>	<u>\$ 437,791</u>
Fund balances - total governmental funds			\$ 323,897
Amounts reported for <i>governmental activities</i> in the statement of net assets (page 4) are different because:			
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.			
			173,735
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
			100,601
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
			(136,262)
Net assets of <i>governmental activities</i>			<u>\$ 461,971</u>

See notes to financial statements

Township of Jefferson**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - governmental funds**

Year ended June 30, 2006

	<u>General</u>	<u>Diamond Lake Sewer</u>	<u>Totals</u>
REVENUES			
Taxes	\$ 85,498	\$ -	\$ 85,498
Licenses and permits	42,206	-	42,206
State grants	168,848	-	168,848
Charges for services	8,150	-	8,150
Interest and rentals	12,409	4,903	17,312
Other	<u>4,771</u>	<u>25,150</u>	<u>29,921</u>
Total revenues	<u>321,882</u>	<u>30,053</u>	<u>351,935</u>
EXPENDITURES			
Legislative	11,298	-	11,298
General government	124,604	-	124,604
Public safety	98,767	-	98,767
Public works	82,805	-	82,805
Health and welfare	20,648	-	20,648
Community and economic development	23,643	-	23,643
Capital outlay	8,700	-	8,700
Debt service:			
Principal	-	26,757	26,757
Interest	<u>-</u>	<u>2,993</u>	<u>2,993</u>
Total expenditures	<u>370,465</u>	<u>29,750</u>	<u>400,215</u>
NET CHANGE IN FUND BALANCES	(48,583)	303	(48,280)
FUND BALANCES - BEGINNING	<u>341,149</u>	<u>31,028</u>	<u>372,177</u>
FUND BALANCES - ENDING	<u>\$ 292,566</u>	<u>\$ 31,331</u>	<u>\$ 323,897</u>

See notes to financial statements

Township of Jefferson

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - *governmental funds* (Continued)**

Year ended June 30, 2006

Net change in fund balances - total governmental funds	\$ (48,280)
--	-------------

Amounts reported for *governmental activities* in the statement of activities
(page 5) are different because:

Capital assets:

Assets acquired	8,700
Provision for depreciation	(15,517)

Long-term debt - principal payments	26,757
-------------------------------------	--------

Changes in other liabilities - net decrease in deferred revenue	<u>(25,150)</u>
---	-----------------

Change in net assets of <i>governmental activities</i>	<u>\$ (53,490)</u>
--	--------------------

See notes to financial statements

Township of Jefferson
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Jefferson, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) Reporting entity:

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

b) Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

c) Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Township of Jefferson
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) Measurement focus, basis of accounting, and financial statement presentation (continued):

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Diamond Lake Sewer Debt Fund accounts for the issuance and payment of debt related to sewer improvements. Revenues are primarily derived from special assessments.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB). The Township has elected not to follow subsequent private-sector standards.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

d) Assets, liabilities, and net assets or equity:

i) Bank deposits - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) Receivables - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Township of Jefferson
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d) *Assets, liabilities, and net assets or equity (Continued):*

iv) *Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., major road improvements), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,000 (\$10,000 for infrastructure assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 30, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning July 1, 2003.

The Township includes shared road costs in its infrastructure. These costs represent the Township's portion of public road improvements for roads within the Township which are owned by the County of Cass.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 - 40 years
Equipment	5 - 7 years
Roads	20 years

v) *Deferred revenue* - In the fund financial statements, governmental funds report deferred revenue in connection with resources that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

vi) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vii) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1 and, accordingly, the total levy is recognized as revenue in the current year.

Township of Jefferson
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

The Township's significant budget variations are as follows:

<u>Fund</u>	<u>Function</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance</u>
General	Public safety	\$ 95,500	\$ 98,767	\$ 3,267
	Capital outlay	5,000	8,700	3,700

NOTE 3 - CASH:

State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance and are uncollateralized. At June 30, 2006, \$202,498 of the Township's bank balances of \$307,169 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Township believes that it is impractical to insure all bank deposits due to the amounts of the deposits and the limits of FDIC insurance. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the risk level of each institution. Only the institutions with an acceptable estimated risk level are used as depositories.

NOTE 4 - RECEIVABLES:

Receivables as of year end for the government's individual major funds are as follows:

<u>Fund</u>	<u>Special assessments</u>	<u>Inter- governmental</u>	<u>Total</u>
General	\$ -	\$ 29,275	\$ 29,275
Diamond Lake Sewer Debt	100,601	-	100,601
Totals	<u>\$ 100,601</u>	<u>\$ 29,275</u>	<u>\$ 129,876</u>
Noncurrent portion	<u>\$ 75,450</u>	<u>\$ -</u>	<u>\$ 75,450</u>

Township of Jefferson
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2006, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Capital assets being depreciated:				
Buildings and improvements	275,872	-	-	275,872
Equipment	28,195	8,700	-	36,895
Infrastructure	48,710	-	-	48,710
Subtotal	<u>352,777</u>	<u>8,700</u>	<u>-</u>	<u>361,477</u>
Less accumulated depreciation for:				
Buildings and improvements	169,615	7,543	-	177,158
Equipment	19,422	4,980	-	24,402
Infrastructure	3,188	2,994	-	6,182
Subtotal	<u>192,225</u>	<u>15,517</u>	<u>-</u>	<u>207,742</u>
Total capital assets being depreciated, net	<u>160,552</u>	<u>(6,817)</u>	<u>-</u>	<u>153,735</u>
Governmental activities capital assets, net	<u>\$ 180,552</u>	<u>\$ (6,817)</u>	<u>\$ -</u>	<u>\$ 173,735</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 12,523
Public works	<u>2,994</u>
Total	<u>\$ 15,517</u>

NOTE 6 - DEFERRED REVENUE:

As of June 30, 2006, deferred revenue consisted of unavailable special assessments in the Diamond Lake Sewer Debt Fund.

Township of Jefferson
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 - LONG-TERM LIABILITIES:

Long-term debt at June 30, 2006, is comprised of the following individual issue:

Contracts payable:

\$520,275 1995 contract payable, due to Cass County in annual installments of \$26,757 to \$27,253, plus interest at 2% through October 2010. \$ 136,262

Long-term liability activity for the year ended June 30, 2006, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Contract payable - 1995	<u>\$ 163,019</u>	<u>\$ -</u>	<u>\$ 26,757</u>	<u>\$ 136,262</u>	<u>\$ 27,252</u>

Debt service requirements at June 30, 2006, were as follows:

<u>Year ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 27,252	\$ 2,453
2008	27,253	1,908
2009	27,252	1,363
2010	27,253	818
2011 - 2015	<u>27,252</u>	<u>273</u>
Totals	<u>\$ 136,262</u>	<u>\$ 6,815</u>

NOTE 8 - JOINTLY GOVERNED ORGANIZATIONS:

a) *Edwardsburg Fire Department:* The Townships of Jefferson, Ontwa, and Milton have created the Edwardsburg Fire Department, which has a board composed of two individuals appointed by each Township board and one member-at-large appointed by the Edwardsburg Fire Board, who is a resident of one of the Townships. The Township appropriated \$40,571 to Edwardsburg Fire Department in 2006.

b) *Edwardsburg Ambulance Service:* The Townships of Jefferson, Ontwa, Calvin, and the Village of Edwardsburg have entered into an agreement with the Edwardsburg Ambulance Service for ambulance services. The agreement created the Ambulance Service Board, which is composed of two representatives to be appointed from each of the municipalities in the agreement. The payments to the ambulance service are based on a calculation of taxable values and percentages. The Township appropriated \$5,048 for operations of the Edwardsburg Ambulance Service in 2006.

Township of Jefferson
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - JOINTLY GOVERNED ORGANIZATIONS (Continued):

c) *Central Cass County Ambulance Board:* The Townships of Jefferson, Calvin, LaGrange, Penn, and the Villages of Cassopolis and Vandalia have entered into an agreement with the Life Care Ambulance Service for ambulance services. The ambulance board is made up of various members of the participating municipalities. The Township appropriated \$15,600 for operations in 2006.

NOTE 9 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 10 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended June 30, 2006, is as follows:

Revenues	\$ 42,131
Expenses	<u>48,196</u>
Deficiency of revenues over expenses	<u>\$ (6,065)</u>
Cumulative excess, included in fund balance reservation of General Fund	<u>\$ 477</u>

REQUIRED SUPPLEMENTARY INFORMATION

Township of Jefferson
BUDGETARY COMPARISON SCHEDULE - General Fund
Year ended June 30, 2006

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 84,000	\$ 79,000	\$ 85,498	\$ 6,498
Licenses and permits	40,000	40,000	42,206	2,206
State grants	185,000	185,000	168,848	(16,152)
Charges for services	3,000	-	8,150	8,150
Interest and rentals	6,800	6,800	12,409	5,609
Other	500	500	4,771	4,271
Total revenues	<u>319,300</u>	<u>311,300</u>	<u>321,882</u>	<u>10,582</u>
EXPENDITURES				
Legislative	<u>12,000</u>	<u>12,000</u>	<u>11,298</u>	<u>702</u>
General government:				
Supervisor	17,500	17,500	16,457	1,043
Election	2,000	2,000	1,214	786
Assessor	17,000	17,000	14,606	2,394
Clerk	17,000	17,000	15,342	1,658
Board of review	2,500	2,500	1,115	1,385
Treasurer	21,000	21,000	18,196	2,804
Building and grounds	19,000	22,500	18,269	4,231
Cemetery	3,000	3,000	3,180	(180)
Other	32,800	37,300	36,225	1,075
Total general government	<u>131,800</u>	<u>139,800</u>	<u>124,604</u>	<u>15,196</u>
Public safety:				
Fire protection	60,000	50,000	50,571	(571)
Building inspections	<u>45,000</u>	<u>45,500</u>	<u>48,196</u>	<u>(2,696)</u>
Total public safety	<u>105,000</u>	<u>95,500</u>	<u>98,767</u>	<u>(3,267)</u>
Public works:				
Highways and streets	75,000	75,000	73,521	1,479
Waste disposal	<u>15,000</u>	<u>15,000</u>	<u>9,284</u>	<u>5,716</u>
Total public works	<u>90,000</u>	<u>90,000</u>	<u>82,805</u>	<u>7,195</u>

Township of Jefferson**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended June 30, 2006

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued)				
Health and welfare - ambulance	<u>\$ 20,000</u>	<u>\$ 20,700</u>	<u>\$ 20,648</u>	<u>\$ 52</u>
Community and economic development - zoning and planning	<u>35,000</u>	<u>35,000</u>	<u>23,643</u>	<u>11,357</u>
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>8,700</u>	<u>(3,700)</u>
Total expenditures	<u>398,800</u>	<u>398,000</u>	<u>370,465</u>	<u>27,535</u>
NET CHANGE IN FUND BALANCES	<u>(79,500)</u>	<u>(86,700)</u>	<u>(48,583)</u>	<u>38,117</u>
FUND BALANCES - BEGINNING	<u>341,149</u>	<u>341,149</u>	<u>341,149</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 261,649</u>	<u>\$ 254,449</u>	<u>\$ 292,566</u>	<u>\$ 38,117</u>